



January 25, 2005

Beth O'Donnell, Executive Director
Commonwealth of Kentucky
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED

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PUBLIC SERVICE
COMMISSION

Case 2005-00081

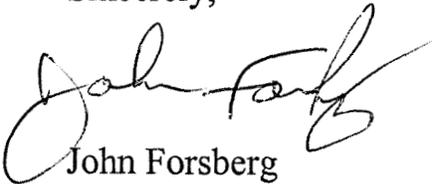
Re: Citipower L.L.C.
Quarterly Report of Gas Cost Recovery Rate Calculation

Dear Ms. O'Donnell:

Please accept the enclosed Citipower, L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation, filed January 25, 2005, for rates to be effective March 1, 2005 based on the reporting period from August 1, 2004 through October 31, 2004. To the best of my knowledge, this filing is complete and accurate, is in accordance with the requirements of the Commonwealth of Kentucky Public Service Commission, and is consistent with the calculation of the rates Ordered by the Public Service Commission on August 8, 2002 regarding Case No. 2002-00252.

The Public Service Commission may, as it has in the past, correct the Quarterly Report of Gas Cost Recovery Rate Calculation provided by Citipower, and issue its Order based on its corrected Calculation. If the Commission corrects the enclosed Calculation and issues its Order based on the Commission's corrected Calculation, please provide me with a legible copy of the Commission's corrected Calculation for my future reference.

Sincerely,



John Forsberg

Citipower, LLC
2122 Enterprise Road
Greensboro, NC 27408

Voice 336-379-0800
Fax 336-379-0881

COMPANY NAME

Citipower, LLC

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

1-25-05

Date Rates to be Effective:

3-01-05

Reporting Period is Calendar Quarter Ended:

10-31-04

Citipower, LLC
 filing date 1-25-05

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	7.546
+ Refund Adjustment (RA)	\$/Mcf	-
+ Actual Adjustment (AA)	\$/Mcf	1.9070
+ Balance Adjustment (BA)	\$/Mcf	<1.3755>
= Gas Cost Recovery Rate (GCR)	\$/Mcf	8.0775

GCR to be effective for service rendered from 3-1-2005 to 5-31-2005

A. <u>EXPECTED GAS COST CALCULATION</u>		
	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	577648.56
+ Sales for the 12 months ended <u>10-31-04</u>	Mcf	76,550
<u>Expected Gas Cost (EGC)</u>	\$/Mcf	7.546
B. <u>REFUND ADJUSTMENT CALCULATION</u>		
	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	-
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	-
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	-
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	-
= Refund Adjustment (RA)	\$/Mcf	-
C. <u>ACTUAL ADJUSTMENT CALCULATION</u>		
	<u>Unit</u>	<u>Amount</u>
<i>Actual Adj. per case # 2002-0252 (expires Aug 31, 2005)</i>		1.1136
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	-.2126
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	-.0495
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	-.1369
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	-.3944
= Actual Adjustment (AA)	\$/Mcf	1.9070
D. <u>BALANCE ADJUSTMENT CALCULATION</u>		
	<u>Unit</u>	<u>Amount</u>
<i>Balance Adjustment Per Case # 2002-0252 Sept 2002 - Oct 2003</i>		<-.4679>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	<.0198>
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	<.3591>
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	<-.5093>
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	<-.0194>
= Balance Adjustment (BA)	\$/Mcf	<1.3755>

Citipower, LLC
 Filing Date 1-25-05

SCHEDULE II

EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended 10-31-2004

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Forexco, INC			76,550		577,648

Totals 76,550 577,648

Line loss for 12 months ended _____ is _____ % based on purchases of _____ Mcf and sales of _____ Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	577,648
+ Mcf Purchases (4)	Mcf	76,550
= Average Expected Cost Per Mcf Purchased	\$/Mcf	7.5400
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	76,550
= Total Expected Gas Cost (to Schedule IA.)	\$	577,648

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.
 **Supplier's tariff sheets or notices are attached.

Citipower, LLC
Filing Date 1-25-05

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended _____ (reporting period)

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	
+ Interest	\$	
= Refund Adjustment including interest	\$	
+ Sales for 12 months ended _____	Mcf	
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	<u>0</u>

Citipower, LLC
 filing Date 1-25-05

SCHEDULE IV

ACTUAL ADJUSTMENT

10-31-04

For the 3 month period ended (reporting period)

Particulars	Unit	Month 1 (8-04)	Month 2 (9-04)	Month 3 (10-04)
Total Supply Volumes Purchased	Mcf	2,605.4	3,442.6	4,275.3
Total Cost of Volumes Purchased	\$	15,863.75	28,070.96	44,762.39
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	2,605.40	3,442.6	4,275.3
= Unit Cost of Gas	\$/Mcf	6.0888	8.1540	10.4700
- EGC in effect for month	\$/Mcf	7.1004	6.9860	6.9860
= Difference [(Over-)/Under-Recovery]	\$/Mcf	<1.0116>	1.1680	3.4840
x Actual sales during month	Mcf	2,605.40	3,442.60	4,275.30
= Monthly cost difference	\$	<2,635.62>	4,020.95	14,895.00

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	16,280.33
+ Sales for 12 months ended	Mcf	76,550
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	.2126

Catipower, LLC
 filing date 1-25-05

SCHEDULE V

BALANCE ADJUSTMENT

10-31-04

For the 3 month period ended _____ (reporting period)

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	6,613.41
Less: Dollar amount resulting from the AA of <u>.1037</u> \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of <u>78,795</u> Mcf during the 12-month period the AA was in effect.	\$	<8,171.04>
Equals: Balance Adjustment for the AA.	\$	<1,557.63>
(2) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	
Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect.	\$	
Equals: Balance Adjustment for the RA.	\$	_____
(3) Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	
Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect.	\$	
Equals: Balance Adjustment for the BA.	\$	_____
Total Balance Adjustment Amount (1) + (2) + (3)	\$	<1,557.63>
+ Sales for 12 months ended _____	Mcf	<u>78,795</u>
Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	<.0198>

**Citipower LLC
Quarterly Report of Gas Cost
Recovery Rate Calculation
Filing 01/25/05**

**Schedule II
Expected Gas Cost**

Month	Mcf	Expected Rate	Cost
November-03	5,527	7.5460	41,706.74
December-03	14,456	7.5460	109,084.98
January-04	12,270	7.5460	92,589.42
February-04	12,467	7.5460	94,075.98
March-04	7,769	7.5460	58,624.87
April-04	6,047	7.5460	45,630.66
May-04	3,248	7.5460	24,509.41
June-04	2,561	7.5460	19,325.31
July-04	1,882	7.5460	14,201.57
Aug-04	2,605	7.5460	19,660.35
Sep-04	3,443	7.5460	25,977.86
Oct-04	4,275	7.5460	32,261.41
	76,550.30	7.5460	577,648.56

Citipower LLC
Quarterly Report of Gas Cost
Recovery Rate Calculation
Filing 01/25/05

Schedule V
Balance Adjustment

for Balance Adjustment
of AA effective 06-01-2003

Month	Mcf
December-03	14,456
January-04	12,270
February-04	12,467
March-04	7,769
April-04	6,047
May-04	3,248
June-04	2,561
July-04	1,882
August-04	2,605
September-04	3,443
October-04	<u>4,275</u>
November-04	7,772
	78,795

for Balance Adjustment
of AA effective 09-01-2002 thru 08-31-2005
(BA in effect 03-01-2004 thru 02-28-2005)

Month	Mcf
September-02	1,208
October-02	3,328
November-02	5,800
December-02	9,292
January-03	11,863
February-03	11,155
March-03	5,075
April-03	4,008
May-03	3,652
June-03	3,738
July-03	3,331
August-03	2,346
	64,796

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Commodity Futures Price Quotes For NYMEX Henry Hub Natural Gas

Commodity market prices and quotes are updated continuously during market hours.
 (Price quotes for NYMEX Henry Hub Natural Gas delayed at least 30 minutes as per exchange requirements)

[Click here to refresh data](#)

Total 18.865 / 3 = 6.288 x 1.2 bto adj = 7.546

Month <small>Click for chart</small>	Session									Pr.Day		Options
	Open	High	Low	Last	Time	Sett	Chg	Vol	Ticks	Sett	OpInt	
Feb 05	6.2	6.35	5.33	6.29	14:45	6.308	+0.015	28603	13881	6.293	37862	Call Put
Mar 05	6.22	6.4	6.195	6.335	14:47	-	+0.008	14795	3749	6.327	67004	Call Put
Apr 05	6.13	6.29	6.1	6.23	14:45	-	+0.008	6442	1252	6.222	30722	Call Put
May 05	6.16	6.3	6.1	6.3	14:21	-	+0.076	2048	579	6.224	22314	Call Put
Jun 05	6.19	6.26	6.19	6.23	12:00	-	-0.034	778	348	6.264	13817	Call Put
Jul 05	6.23	6.35	6.23	6.34	14:29	-	+0.036	1178	348	6.304	18577	Call Put
Aug 05	6.25	6.4	6.206	6.36	14:29	-	+0.032	1253	255	6.328	12959	Call Put
Sep 05	6.27	6.33	6.181	6.33	14:23	-	+0.032	751	208	6.298	14671	Call Put
Oct 05	6.27	6.33	6.2	6.33	14:14	-	+0.012	1475	329	6.318	28464	Call Put
Nov 05	6.61	6.638	6.56	6.62	14:05	-	-0.033	652	163	6.653	12030	Call Put
Dec 05	6.945	7	6.92	6.97	14:15	-	-0.013	687	270	6.983	18997	Call Put
Jan 06	7.15	7.23	7.12	7.21	14:23	-	-0.008	1150	192	7.218	17876	Call Put
Feb 06	7.15	7.17	7.12	7.17	11:40	-	-0.028	69	55	7.198	10066	Call Put
Mar 06	6.96	7	6.95	7	14:05	-	-0.008	1181	89	7.008	12558	Call Put
Apr 06	6.03	6.03	5.99	6.02	14:19	-	-0.018	527	43	6.038	11707	Call Put
May 06	5.9	5.9	5.88	5.88	14:05	-	-0.038	46	31	5.918	8755	Call Put
Jun 06	5.92	5.92	5.9	5.9	13:55	-	-0.038	10	17	5.938	3422	Call Put
Jul 06	5.95	5.95	5.95	5.95	11:11	-	-0.008	9	25	5.958	4815	Call Put
Aug 06	-	-	-	5.978	-	-	0	6	8	5.978	3840	Call Put
Sep 06	5.94	5.94	5.94	5.94	10:47	-	-0.033	5	5	5.973	3154	Call Put
Oct 06	-	-	-	5.998	-	-	0	2	5	5.998	4875	Call Put
Nov 06	-	-	6.26	6.26	14:18	-	-0.038	14	7	6.298	2603	Call Put
Dec 06	-	6.51	6.54	6.52	11:47	-	-0.053	142	15	6.573	4438	Call Put
Jan 07	-	-	6.778	6.77	12:38	-	-0.008	21	13	6.778	5119	Call Put
Feb 07	-	-	-	6.758	-	-	0	1	3	6.758	1875	Call Put
Mar 07	-	-	-	6.563	-	-	0	1	6	6.563	3851	Call Put
Jun 07	-	5.42	-	5.51	14:23	-	-0.07	1	6	5.58	775	Call Put